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UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

PENROD MANAGEMENT GROUP,  
INC.,

Plaintiff-Petitioner,

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STEWART'S MOBILE CONCEPTS,  
LTD.,

Defendant-Respondent.

: Civil Action No. 07-10649 (JGK/DFE)

**CERTIFICATION OF COUNSEL IN  
OPPOSITION TO THE MOTION IN  
LIMINE BY PLAINTIFF-PETITIONER,  
PENROD MANAGEMENT GROUP, INC.,  
TO EXCLUDE THE DIRECT TESTIMONY  
AFFIDAVIT OF BOB HISS AND  
EXHIBITS 14, 16 AND 51**

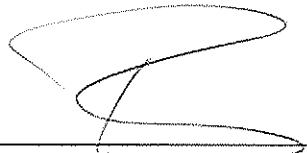
I, RYAN P. MULVANEY, hereby declare, under penalty of perjury as follows:

1. I am an attorney-at-law of the State of New Jersey, am admitted pro hac vice in this Court for purposes of this matter, and am associated with the Newark and Morristown offices of the law firm of McElroy, Deutsch, Mulvaney & Carpenter, LLP. I am one of the attorneys responsible for handling this matter of behalf of Defendant-Respondent, Stewart's Mobile Concepts, Ltd. ("SMC"), and, as such I have personal knowledge of the facts set forth herein.

2. I make this certification in opposition to the motion in limine by Plaintiff-Petitioner, Penrod Management Group, Inc. ("PMG"), to exclude the direct testimony affidavit of Bob Hiss and exhibits 14, 16 and 51.

3. Attached hereto as Exhibit "A" is a true and accurate copy of a deposition transcript of Michael Penrod, which was taken in a matter captioned Mr. John Inc. v. Nikki Beach Atlantic City LLC and Penrod Management Group.

I hereby certify and declare under penalty and perjury pursuant to 28 U.S.C. § 1746 that the foregoing is true and correct to the best of my knowledge. I am aware that if any of the statements made by me are willfully false, I am subject to punishment.

  
\_\_\_\_\_  
Ryan P. Mulvaney

Dated: June 13, 2008

# Exhibit A

1 SUPERIOR COURT OF NEW JERSEY  
2 LAW DIVISION: MIDDLESEX COUNTY  
3 DOCKET NO. MID-L-6951-05

4 MR. JOHN, INC.,

5 Plaintiff,

6 -vs-

DEPOSITION OF,

7 MICHAEL VERNON  
8 PENROD

9 NIKKI BEACH ATLANTIC CITY,  
10 LLC., and PENROD MANAGEMENT  
11 GROUP, INC.,

12 Defendants.

13 TRANSCRIPT of the testimony of  
14 MICHAEL VERNON PENROD as taken by and before  
15 SANDRA A. BYBEL, a Certified Shorthand Reporter  
16 and Notary Public of the State of New Jersey, at  
17 the office of McElroy, Deutsch, Mulvaney &  
18 Carpetner, LLP, Three Gateway Center, 100 Mulberry  
19 Street, Newark, New Jersey, on Tuesday, March 20,  
20 2007, commencing at 1:00 o'clock in the afternoon.

21 REPORTING SERVICES ARRANGED THROUGH:  
22 VERITEXT/NEW JERSEY REPORTING COMPANY  
23 25B Vreeland Road, Suite 301  
24 Florham Park, New Jersey 07932  
25 Tel: (973) 410-4040 Fax: (973) 410-1313



<p>1 let me know. I only ask that you respond to my 2 question, if there is a question pending, before 3 taking the break. 4 A. Yeah. 5 Q. If you don't understand a question, 6 please let me know and I'll try and rephrase it or 7 repeat it. If you don't tell me that you don't 8 understand, then I'll assume that you do. And 9 wait, if you could, for my question to end before 10 you begin your answer it's a little bit easier for 11 the court reporter and us so we can get out of 12 here a lot quicker. 13 A. Right. 14 Q. Also, I'm sure you're familiar with 15 no head nods and shaking. Everything has to be 16 oral so we can accurately get your testimony. 17 The depositions in Florida, did they 18 have to do in any way with the Nikki Beach Bar in 19 Atlantic City? 20 A. No. 21 Q. Where did you attend college? 22 A. I went to Tallahassee Community 23 College for about a couple of months. That was 24 it. 25 Q. Did you receive a degree from there?</p>	<p>1 MR. SAVOLA: I've got a document, the 2 three documents that we produced in response to 3 request for production which are the two invoices 4 and the wire transfer. 5 MR. MULVANEY: The two contracts. 6 MR. SAVOLA: Yes. 7 MR. MULVANEY: And that's it? 8 A. Yes. 9 MR. MULVANEY: Speaking of which, do 10 you have a complete copy of the wire transfer. I 11 think the copy that you had provided was an 12 incomplete copy. It was cut off at the bottom. 13 If we can have a complete copy of it it'd be 14 great. 15 We can take care of it later. That's 16 fine? 17 MR. SAVOLA: Okay. 18 Q. Michael, for whom do you currently 19 work? 20 A. I work with Penrod Brothers, Inc. 21 with -- I also have a place called The Elbow Room 22 in Fort Lauderdale and I got a salary from Penrod 23 Management Group also. 24 Q. Is Penrod Management a subsidiary of 25 Penrod Brothers?</p>
<p>1 A. No. 2 Q. Do you have any professional 3 licenses? 4 A. No. 5 Q. Okay. What did you do in preparation 6 for this deposition, if anything? 7 A. Nothing. Except with whatever Steve 8 had in the airport. 9 Q. So you spoke with your attorney? 10 A. Yes, I talked to the attorney. 11 Q. Please don't disclose the 12 conversations you had, but you spoke with your 13 attorney? 14 A. Yes. 15 Q. And that's Mr. Savola? 16 A. Correct. 17 Q. Did you speak with Mr. Kennedy? 18 A. I don't know who that is. 19 Q. Paul Kennedy. 20 MR. SAVOLA: He's co-counsel. 21 A. I have never met him. 22 Q. Did you review any documents? 23 A. With Steve, yes. 24 Q. Did you bring those documents with 25 you today?</p>	<p>1 MR. SAVOLA: Object. Form. 2 A. No. 3 MR. SAVOLA: Just for the record 4 purposes, if I object to the form it doesn't mean 5 that you don't answer the question. Go ahead and 6 answer the question. It just puts a notation on 7 the record so if it comes up at trial it means I 8 can address it with the judge. 9 A. Okay. What were you asking? 10 Q. Is Penrod Management a subsidiary of 11 Penrod Brothers? 12 MR. SAVOLA: Object. 13 A. I don't think so. I don't know. 14 Q. Do you receive a salary from Penrod 15 Management? 16 A. Yes. 17 Q. Do you have any title at Penrod 18 Management? 19 A. No. 20 Q. What is your title at Penrod 21 Brothers? 22 A. I don't think I have one. I guess I 23 do marketing and stuff there. That's our property 24 in Miami Beach. 25 Q. Okay. Does Penrod Brothers have any</p>

<p>10</p> <p>1 shareholders?</p> <p>2 A. Penrod Brothers, I believe it's -- I</p> <p>3 don't know. I would think it's just my father.</p> <p>4 Q. Your father is?</p> <p>5 A. Jack Penrod.</p> <p>6 Q. Is your father also a shareholder of</p> <p>7 Penrod Management?</p> <p>8 A. I believe so.</p> <p>9 Q. What are your duties and</p> <p>10 responsibilities with respect to your position, I</p> <p>11 guess your marketing position with Penrod</p> <p>12 Brothers?</p> <p>13 A. With Penrod Brothers I work with</p> <p>14 the -- with the whole marketing division, with the</p> <p>15 local teams setting up events and different</p> <p>16 programs and our VIP services, our Nikki TV.</p> <p>17 Q. I'm sorry.</p> <p>18 A. We have a thing called Nikki TV.</p> <p>19 It's mostly Internet related or marketing.</p> <p>20 Q. Nikki TV?</p> <p>21 A. Those are my core functions here down</p> <p>22 in Miami.</p> <p>23 Q. What exactly does Penrod Management</p> <p>24 do?</p> <p>25 A. I'm not sure. What's the structure</p>	<p>12</p> <p>1 A. Uh-huh. Yes, from what I</p> <p>2 understand.</p> <p>3 Q. Can you describe the properties?</p> <p>4 A. I'm not sure which ones are under</p> <p>5 that. I don't handle that under Penrod Management</p> <p>6 Group.</p> <p>7 Q. But there are properties under Penrod</p> <p>8 Management Group?</p> <p>9 A. I believe so.</p> <p>10 Q. And by property we're talking about?</p> <p>11 A. Bars, restaurants, night clubs.</p> <p>12 Q. Was Nikki Beach Atlantic City under</p> <p>13 that?</p> <p>14 A. Nikki Beach Atlantic City, when we</p> <p>15 set it up, we used the administrative and legal</p> <p>16 functions of them to set it up.</p> <p>17 Q. Let's talk a little bit about this</p> <p>18 Nikki Beach entity.</p> <p>19 A. Okay.</p> <p>20 Q. What is it?</p> <p>21 A. What do you mean?</p> <p>22 MR. SAVOLA: Object. Form.</p> <p>23 A. What do you mean Nikki Beach, as in</p> <p>24 properties?</p> <p>25 Q. Well, you tell me.</p>
<p>11</p> <p>1 of it. I don't know. I'm not sure exactly what</p> <p>2 it does.</p> <p>3 Q. Is it a holding company for any</p> <p>4 subsidiaries?</p> <p>5 A. I don't know.</p> <p>6 Q. Do you know if it has any</p> <p>7 subsidiaries?</p> <p>8 A. I wouldn't know. I'm not on the</p> <p>9 board so I'm not sure.</p> <p>10 Q. You receive a salary from Penrod</p> <p>11 Management?</p> <p>12 A. Uh-huh. Yes.</p> <p>13 Q. And you don't know what it does.</p> <p>14 A. I'm not sure exactly. You're asking</p> <p>15 me does it have subsidiaries. I don't know any of</p> <p>16 the corporate structure.</p> <p>17 Q. Do you know the function of Penrod</p> <p>18 Management, what it does, who it deals with?</p> <p>19 A. I believe it's Penrod Management</p> <p>20 Group. I believe it's the group that has some of</p> <p>21 the administrative functions for some of the</p> <p>22 properties.</p> <p>23 Q. What administrative functions?</p> <p>24 A. Some accounting and legal.</p> <p>25 Q. Does it bill for those services?</p>	<p>13</p> <p>1 A. You ask the questions. I'm not</p> <p>2 clear.</p> <p>3 Q. What is Nikki Beach?</p> <p>4 A. Nikki Beach is a brand that has</p> <p>5 different restaurants and night clubs and beach</p> <p>6 clubs around the world. We also throw parties and</p> <p>7 events, branded Nikki Beach with different</p> <p>8 partners around the world in different locations.</p> <p>9 Q. How many Nikki Beach entities are</p> <p>10 there?</p> <p>11 MR. SAVOLA: Object. Form.</p> <p>12 A. I think there's -- well, Nikki Beach</p> <p>13 entities, I think there's like 12 currently.</p> <p>14 Q. Can you tell me what they are?</p> <p>15 A. Nikki Beach -- there's a Nikki Beach</p> <p>16 in Miami. There's a Nikki Midtown in New York;</p> <p>17 Nikki Marina in Hollywood, Florida; Nikki Beach in</p> <p>18 Cabo San Lucas, Mexico; Nikki Beach in Puerto</p> <p>19 Varta; Nikki Beach Saint Barts; Nikki Beach in</p> <p>20 Sardinia, Italy; Nikki Beach in San Trope; Nikki</p> <p>21 Beach in Marbella; and Nikki Beach Marrakech. So</p> <p>22 I guess it's 10.</p> <p>23 Q. Are all those Nikki Beach entities</p> <p>24 still operating today?</p> <p>25 A. Yes.</p>

4 (Pages 10 to 13)



<p>1 Q. Do they have their own employees?</p> <p>2 A. I believe so, yes.</p> <p>3 Q. Do they prepare their own financial</p> <p>4 statements?</p> <p>5 A. I'm not sure about all of them.</p> <p>6 They're more of an accounting question, which I</p> <p>7 don't handle.</p> <p>8 Q. Who handles the accounting issues?</p> <p>9 A. Accounting is headed up by a lady</p> <p>10 named Korollan and a guy named Omar.</p> <p>11 Q. Are they Penrod Management?</p> <p>12 A. Well, they are in Penrod Management.</p> <p>13 Each location has somebody.</p> <p>14 Q. Each Nikki Beach --</p> <p>15 A. Each location has a --</p> <p>16 Q. Penrod Management.</p> <p>17 A. Each location has a local</p> <p>18 administrator for accounting purposes.</p> <p>19 Q. And that person is a Nikki Beach</p> <p>20 employee?</p> <p>21 A. I'm pretty sure.</p> <p>22 Q. Paid --</p> <p>23 A. By that location.</p> <p>24 Q. Receiving payroll from Nikki Beach?</p> <p>25 A. From each location wherever they</p>	<p>14</p> <p>1 deal with -- Penrod Management Group helps handle</p> <p>2 them. They get involved, but it's very limited.</p> <p>3 Q. Did Penrod Management bill for those</p> <p>4 services?</p> <p>5 A. They would, yes.</p> <p>6 Q. We'll keep it on this side for the</p> <p>7 legal services. Who provided the legal services</p> <p>8 of Penrod Management.</p> <p>9 A. It depends on what...</p> <p>10 Q. To any of the Nikki Beach entities?</p> <p>11 A. Like here I heard today there's a</p> <p>12 local legal counsel. I don't know who he is. I</p> <p>13 never met him.</p> <p>14 Q. Do you have an understanding of</p> <p>15 whether he provided legal services to your local</p> <p>16 Nikki Beach company here?</p> <p>17 A. The guy you mentioned earlier? I</p> <p>18 imagine he did. You guys asked me if I knew him.</p> <p>19 I've never met him.</p> <p>20 Q. Who at Penrod Management provided</p> <p>21 legal services?</p> <p>22 A. The gentleman, Michael Register, he</p> <p>23 would coordinate which lawyers you hire.</p> <p>24 Q. Who at Penrod provided the accounting</p> <p>25 services?</p>
<p>15</p> <p>1 work.</p> <p>2 Q. Tell me about the Nikki Marina?</p> <p>3 Let's just use that one.</p> <p>4 A. Okay.</p> <p>5 Q. It's still operating?</p> <p>6 A. Correct.</p> <p>7 Q. Does it does have its own employees?</p> <p>8 A. Correct.</p> <p>9 Q. Who are the employees?</p> <p>10 A. Their names? I don't know all their</p> <p>11 names. I know a guy Jerry who is the general</p> <p>12 manager and a guy -- well, no, he doesn't work</p> <p>13 there anymore. That's the only one I'm sure of</p> <p>14 his name.</p> <p>15 Q. You said before that Penrod</p> <p>16 Management provides legal and accounting services.</p> <p>17 Can you describe what those services are?</p> <p>18 A. Well, for like Nikki Marina, since</p> <p>19 we're talking about that.</p> <p>20 Q. Sure.</p> <p>21 A. What they do is they -- I think what</p> <p>22 they do is they interact with local accountants</p> <p>23 and accounts receivable to make sure that they're</p> <p>24 being handled correctly. And there, I think, if</p> <p>25 there's any legal problems or legal matters, they</p>	<p>17</p> <p>1 A. The lady named Korollan and Omar,</p> <p>2 they would either handle minor things or they'd</p> <p>3 hire a local, depending on what country, they'd</p> <p>4 hire local accounting services. And also Michael</p> <p>5 Register and Korollan handled that.</p> <p>6 Q. Did you hire local accounting</p> <p>7 services in the State of New Jersey?</p> <p>8 A. Here we worked with -- we hired a --</p> <p>9 brought a girl accountant, her name was Cath, I</p> <p>10 don't know her last name off the top of my head.</p> <p>11 She actually was our daily bookkeeper and</p> <p>12 administrator, the main one. She had two girls</p> <p>13 that worked with her, I think.</p> <p>14 Q. Was she an employee of Penrod</p> <p>15 Management?</p> <p>16 A. No. She was an employee of Atlantic</p> <p>17 City.</p> <p>18 Q. What do you mean?</p> <p>19 A. Nikki Beach Atlantic City. When I</p> <p>20 came up here and set up Nikki Beach Atlantic City</p> <p>21 my general manager was this guy named Bruce, and</p> <p>22 like the accounting administrative lead was named</p> <p>23 Cath. I don't know her last name. I think her</p> <p>24 name was Catherine, but everybody calls her Cath.</p> <p>25 Q. Did Penrod Management make any</p>

5 (Pages 14 to 17)



<p>18</p> <p>1 payments?</p> <p>2 A. To them?</p> <p>3 Q. No. To Mr. John with respect to</p> <p>4 Nikki Beach Atlantic City Bar?</p> <p>5 A. When we first were setting up</p> <p>6 Atlantic City back in the beginning before we ever</p> <p>7 had our offices set up, our accounts set up, they</p> <p>8 wired us the money directly a wire to Mr. John for</p> <p>9 us because I didn't have any accounts or anything</p> <p>10 set up yet, and Mr. John had a deadline that</p> <p>11 needed to be in then or we wouldn't have bathrooms</p> <p>12 for the summer.</p> <p>13 Q. I'm sorry, you said "they."</p> <p>14 A. Mr. John said -- the lady that I was</p> <p>15 dealing with Mr. John, I think her name is Lauren.</p> <p>16 Q. Okay.</p> <p>17 A. She -- I think that was who I was</p> <p>18 dealing with too and I talked to her daily because</p> <p>19 I was the one that coordinated it with Mr. John in</p> <p>20 Atlantic City when I was up setting it up and they</p> <p>21 needed the money right away to lock in the dates.</p> <p>22 So I called down there and I had them send the</p> <p>23 money from Miami to borrow the money, and I</p> <p>24 believe we paid them back.</p> <p>25 Q. I'm sorry, "them" and the pronouns,</p>	<p>20</p> <p>1 A. Nikki Beach entities when we opened</p> <p>2 up to different locations?</p> <p>3 Q. Take, for example, Nikki Beach</p> <p>4 Marina, we'll kind of stick with that one because</p> <p>5 we spoke about that one before. When Nikki Beach</p> <p>6 Marina opened did it require working capital to</p> <p>7 operate?</p> <p>8 MR. SAVOLA: Object. Form.</p> <p>9 A. Each deal is different in each city</p> <p>10 that I've set up different properties because I go</p> <p>11 on the set up teams. And the marina, our partner</p> <p>12 is the hotel, the Weston Diplomat, and in that</p> <p>13 location the partner put up the upfront running</p> <p>14 capital.</p> <p>15 Q. Was there any application that had to</p> <p>16 be made with the --</p> <p>17 A. I don't know. Not to my knowledge.</p> <p>18 I mean I don't know what the -- that was so long</p> <p>19 ago. Nikki Marina's been there six years. I</p> <p>20 don't recall what was set up.</p> <p>21 Q. When you opened up the Atlantic City</p> <p>22 bar, was the working capital required?</p> <p>23 A. There was -- let me think. I believe</p> <p>24 the hotel it was a complicated set up there</p> <p>25 because we had to set -- our partner was the</p>
<p>19</p> <p>1 I'm getting lost.</p> <p>2 A. Sorry. Penrod Management Group.</p> <p>3 Q. So Penrod Management Group wired</p> <p>4 transferred money?</p> <p>5 A. Yes. I believe it was a deposit so</p> <p>6 we could lock in the dates with Mr. John.</p> <p>7 Q. To Mr. John?</p> <p>8 A. Correct.</p> <p>9 Q. So Penrod Management did a little bit</p> <p>10 more than provide legal and accounting services?</p> <p>11 MR. SAVOLA: Object to form.</p> <p>12 A. Well, they lent us the money to set</p> <p>13 that up. They set up the accounts and the bank</p> <p>14 accounts and I think that's about it.</p> <p>15 Q. Let me ask you, do you know who</p> <p>16 Danielle Houser is?</p> <p>17 A. I don't recall. Where does she work?</p> <p>18 Q. Do you recognize her name as anybody</p> <p>19 that worked for Penrod Management?</p> <p>20 A. Her name sounds familiar, but I don't</p> <p>21 recall who she is.</p> <p>22 Q. When Nikki Beach entities, and I'll</p> <p>23 use that term loosely, are formed do they apply</p> <p>24 for loans on their own.</p> <p>25 MR. SAVOLA: Object to form.</p>	<p>21</p> <p>1 Resorts Hotel and Nikki Beach Atlantic City, but</p> <p>2 with the Casino Control Commissions I remember it</p> <p>3 was very complicated. We had all these different</p> <p>4 things we had to do there, so I'm not sure how the</p> <p>5 money was put up for that one, for the working</p> <p>6 capital, but it's usually the local partner.</p> <p>7 Q. What types of things did you have to</p> <p>8 do with the Casino Control Commission? You had</p> <p>9 mentioned there were things you had to do.</p> <p>10 A. I had to sit in front of board</p> <p>11 meetings and show what we were doing. Layout</p> <p>12 exactly what we planned on putting on the beach</p> <p>13 because we wanted to have glassware, we wanted to</p> <p>14 have concert stadium, music, food. So we had to</p> <p>15 present all that to the Casino Control Commission,</p> <p>16 the federal government, and the city. There's</p> <p>17 like three or four different government bodies and</p> <p>18 controlling bodies that I had to meet with for</p> <p>19 months before the setup.</p> <p>20 Q. Did you have to file any applications</p> <p>21 with either the city, the State of New Jersey, or</p> <p>22 the Casino Control Commission?</p> <p>23 A. I believe so. I believe we had a</p> <p>24 couple of different applications. I'm not sure</p> <p>25 for what, but I remember we had quite a bit. We</p>

6 (Pages 18 to 21)

<p>1 hired a local law firm. They handled that.  2 Q. What was the name of the law firm?  3 A. I don't recall off the top of my  4 head. I will have to get that.  5 Q. Do you recall the applicant on the  6 applications that were filed --  7 A. No.  8 Q. -- with the various subdivisions or  9 the State of New Jersey?  10 A. No, I don't recall.  11 Q. Would the applicant have been Penrod  12 Management?  13 A. No. It would have been the local  14 company, which is our local partnership.  15 Q. So it would have been Nikki Beach  16 Atlantic City?  17 A. It should have been.  18 Q. That would have filed any  19 applications?  20 A. Uh-huh. Yeah.  21 Q. With the State of New Jersey. When  22 you deal with creditors or vendors or suppliers,  23 the same process, were applications filled out?  24 A. Were there? I think we had a couple  25 setup applications for food vendors, but I'm not</p>	<p>22  1 have local partners so we always run everything  2 out of the local entity.  3 Q. So it's always the local entity that  4 files whatever applications that need to be filed?  5 A. Should be.  6 Q. Should it have to apply for a loan  7 it's usually the local --  8 A. I don't recall ever applying for a  9 loan.  10 Q. If it ever applies for credit would  11 it be the local entity that applies for credit?  12 A. I believe it would be. That would be  13 something that we'd have to check with the  14 accountants.  15 Q. And the local permits or other  16 applications that needed to be filed with the  17 local zoning office or the Casino Control  18 Commission in whatever state, would it usually be  19 the local entity that files that paperwork?  20 A. In Atlantic City, since that's the  21 only place we've had to file with Casino Control,  22 there we had the hotel, since they're our partner,  23 they had legal counsel that directed us where to  24 go and we had then hired our own local legal  25 counsel and they handled all those documents and</p>
<p>23  1 sure what that entailed. The chef did that.  2 Q. Who was the chef?  3 A. Timothy Hughes.  4 Q. And who did he work for?  5 A. He worked at Nikki Beach Atlantic  6 City. But that application for food services, I  7 think it's a guarantee to pay. Like here's your  8 terms, you pay in 30 days, that kind of thing.  9 I'm not sure how detailed it is.  10 Q. And who was that with?  11 A. Whatever food vendors. I don't  12 remember the names. They're different up here  13 than they are from anywhere else.  14 Q. Do you recall the applicant who would  15 have --  16 A. No. Do I recall it? No.  17 Q. -- who would have filed the  18 application?  19 A. No. Actually I didn't see it. He  20 had documents because we sent them down to Miami  21 to read them.  22 Q. Would it have been Nikki Beach  23 Atlantic City or would it have been Penrod  24 Management?  25 A. Whenever we set up a new location we</p>	<p>25  1 permits and zoning. I'm not sure exactly what  2 they set up. I imagine it was for the local thing  3 since the hotel was involved with it.  4 MR. MULVANEY: I would like to mark  5 this as Penrod-1.  6  7 (Penrod-1 Credit Application  8 with Mr. John is marked for  9 identification.)  10  11 Q. I'll show this to you. What's being  12 shown to you, P-1, appears to be a credit  13 application filed with Mr. John.  14 A. That's Danielle Houser.  15 Q. Have you seen that before, that  16 document?  17 A. No.  18 Q. Do you now recall who Danielle Houser  19 is?  20 A. I know the name. I'm not sure where  21 she works or where she worked. I don't know if  22 she still works for any of us.  23 Q. And it appears as though that she's  24 completed a credit application under the name of  25 Penrod Management Group with Mr. John; is that</p>

<p>26</p> <p>1 correct?</p> <p>2 A. That's what it appears, yeah.</p> <p>3 Q. Danielle Houser, did she have the</p> <p>4 authority to bind Penrod Management?</p> <p>5 MR. SAVOLA: Object to the form.</p> <p>6 A. That would be for the lawyers. I'm</p> <p>7 not even sure who she is. I just know the name</p> <p>8 from somewhere.</p> <p>9 Q. Do you know who completed this</p> <p>10 application?</p> <p>11 A. It says here Danielle Houser.</p> <p>12 Q. Do you know if anybody else at Penrod</p> <p>13 Management participated in compiling the</p> <p>14 information that appears on that?</p> <p>15 A. I wouldn't have an idea. I wouldn't</p> <p>16 know.</p> <p>17 Q. Do you know if those are Penrod</p> <p>18 Management credit references?</p> <p>19 A. Well, I know the names of these</p> <p>20 vendors. These are south Florida vendors.</p> <p>21 Southern Wine &amp; Spirits, Sysco. I don't know who</p> <p>22 they are though.</p> <p>23 Q. You do recognize those entities?</p> <p>24 A. Uh-huh. Yes. They're Miami based</p> <p>25 vendors.</p>	<p>28</p> <p>1 I was the applicant applying for credit with Mr.</p> <p>2 John, correct?</p> <p>3 MR. SAVOLA: Object to form.</p> <p>4 A. That's what it appears to be. That's</p> <p>5 what she wrote.</p> <p>6 MR. MULVANEY: I'd like to mark this</p> <p>7 as Penrod-2.</p> <p>8</p> <p>9 (Penrod-2 Agreement for</p> <p>10 Temporary Restroom Services, 4/25/05</p> <p>11 is marked for identification.)</p> <p>12 MR. MULVANEY: Mark this as well.</p> <p>13</p> <p>14 (Penrod-3 Agreement for Temporary</p> <p>15 Restroom Services, 5/3/05 is marked for</p> <p>16 identification.)</p> <p>17</p> <p>18 Q. Do you recognize those documents?</p> <p>19 A. I was shown these this morning and I</p> <p>20 think I recall seeing these a couple years ago.</p> <p>21 Q. Okay.</p> <p>22 A. But if you notice, this is before we</p> <p>23 had our -- everything totally set up there because</p> <p>24 I even used my cell phone as the main number.</p> <p>25 Q. Is that your cell phone or is that</p>
<p>27</p> <p>1 Q. If you could just refer back to that</p> <p>2 for one second. Does that appear to be Penrod</p> <p>3 Management's banking information on that credit</p> <p>4 application?</p> <p>5 A. I think they used Bank of America.</p> <p>6 That's where I get -- that's where -- I don't know</p> <p>7 if that's a bank account number though. I'm not</p> <p>8 sure. I don't know what it is. I know that's</p> <p>9 Bank of America.</p> <p>10 Q. And that's Penrod Management's phone</p> <p>11 number and address?</p> <p>12 A. Where's the phone number.</p> <p>13 Q. 305 534-7253?</p> <p>14 A. That's the fax number.</p> <p>15 Q. But that's Penrod Management's fax</p> <p>16 number?</p> <p>17 A. I don't know. I'm not sure. But the</p> <p>18 538-1111, that's actually Penrod's -- is that a</p> <p>19 Penrod Management number? I'm not sure if that's</p> <p>20 what they use. That's the location, 1 Ocean</p> <p>21 Drive. That's the night club.</p> <p>22 Q. That's the correct address for Penrod</p> <p>23 Management?</p> <p>24 A. One Ocean Drive, yes.</p> <p>25 Q. And it shows that Penrod Management</p>	<p>29</p> <p>1 your number at Penrod Management?</p> <p>2 A. It's my cell phone. You can call it</p> <p>3 and it'll ring right now. Because we didn't have</p> <p>4 the offices set up so they used my cell phone as</p> <p>5 Nikki Beach Atlantic City's phone number.</p> <p>6 Q. I'm looking at --</p> <p>7 A. And since it was -- we had to set up</p> <p>8 so early with Mr. John just to lock it in for the</p> <p>9 summer that everything was done were they used my</p> <p>10 cell phone and they called me directly.</p> <p>11 Q. When you say "we," who do you mean</p> <p>12 "we."</p> <p>13 A. Well, when me dealing with I think</p> <p>14 her name was Lauren when she kept talking to me</p> <p>15 and she would call my cell phone directly because</p> <p>16 I didn't have an office up here. It wasn't set up</p> <p>17 yet or the accounts.</p> <p>18 Q. Do you recognize that to be Mike</p> <p>19 Register's signature?</p> <p>20 A. I don't know his signature, but I</p> <p>21 don't know who else would sign it under Michael</p> <p>22 Register.</p> <p>23 Q. That's Penrod-2. And Penrod-3, do</p> <p>24 you recognize that?</p> <p>25 A. I don't know his signature.</p>

8 (Pages 26 to 29)

<p>1 Q. Do you have any reason to suspect 2 it's not his signature. 3 A. I mean I wouldn't think someone else 4 would sign his name. 5 Q. Do you recall participating in a 6 negotiation of any of these specifications on the 7 contract? 8 A. Yes. I mean I was dealing with 9 Lauren the whole time trying to figure out the 10 right price and right units to use when I was at 11 Atlantic City. 12 Q. And you're looking at Penrod-2. I 13 show you Penrod-3. 14 A. I don't remember the exact -- 15 Q. The same question. 16 A. I mean I was the one that was dealing 17 with her directly, but I don't remember the 18 numbers or if these are exactly that, but I'm sure 19 they are if that's what's in the paper. 20 Q. And it's your contention that, and 21 correct me if I'm wrong, that the contract is 22 between Nikki Beach Atlantic City and Mr. John? 23 A. Correct. 24 Q. Can you point anywhere on either 25 Exhibits 2 or 3 and tell me where would it</p>	<p>30 1 5/27/05 is marked for identification.) 2 (Penrod-5 Mr. John invoice, 3 6/24/05 is marked for identification.) 4 (Penrod-6 Mr. John invoice, 5 7/22/05 is marked for identification.) 6 (Penrod-7 Mr. John invoice, 7 8/19/05 is marked for identification.) 8 (Penrod-8 Mr. John invoice, 9 9/16/05 is marked for identification.) 10 11 Q. I'll show you what's been marked as 12 Exhibit-4 and ask you to take a look at it. 13 A. What was this? 14 Q. Did you ever receive that document? 15 A. I didn't. 16 Q. But the document reflects that it was 17 sent to Penrod Management, correct? 18 A. Uh-huh. Yes. 19 Q. And it appears to be an invoice from 20 Mr. John, Incorporated. 21 A. Yes. It's the first time I've ever 22 seen it though. 23 Q. Do you know to whom that invoice 24 would have been sent at Penrod Management? 25 A. It does not say here who they sent it</p>
<p>31 1 identify Nikki Beach Atlantic City as being a 2 party to the contract? 3 A. The events are Nikki Beach Atlantic 4 City. 5 Q. The event is Nikki Beach Atlantic 6 City. Is there any indication of a party to that 7 contract being Nikki Beach Atlantic City, Inc. 8 MR. SAVOLA: Object to form. 9 A. It just probably says Nikki Beach Bar 10 Atlantic City Boardwalk. 11 Q. That's a location. Does it say -- is 12 there a party on it? 13 A. I don't think so. 14 Q. That identifies Nikki Beach Atlantic 15 City as the party to the contract or does it just 16 generally refer to Nikki Beach? 17 MR. SAVOLA: Object to form. 18 A. Now that I see it it says, the top 19 part says Nikki Beach Bar Atlantic City. 20 Q. Again that's the location. Is there 21 any indication that the party -- 22 A. It doesn't. 23 MR. MULVANEY: Let's mark these. 24 25 (Penrod-4 Mr. John invoice,</p>	<p>32 1 to. 2 Q. Right. But in opening the mail at 3 Penrod if somebody sees an invoice where do they 4 usually ship it or to whom do they usually send it 5 to at Penrod Management? 6 MR. SAVOLA: Object to form. 7 A. I don't know. It usually would be 8 somebody's name on it, you know, send blank 9 invoices. 10 Q. Has anyone ever sent a blank 11 invoice? 12 A. I don't know. 13 Q. Who is the accounts receivable 14 accounts payable person at Penrod Management? 15 A. It would be -- you'd have to ask 16 Korollan, the accountant. She would know who. I 17 don't know how it's structured. I'm not in 18 accounting. 19 Q. Do you have any information or 20 knowledge concerning these invoices? 21 A. No. I don't handle the accounting at 22 Penrod Management, so I wouldn't know. 23 Q. But it's your position as a 24 representative of Penrod Management that Penrod 25 Management doesn't owe anything to Mr. John.</p>



<p>34</p> <p>1 MR. SAVOLA: Object to form.</p> <p>2 Q. Correct.</p> <p>3 MR. SAVOLA: Nobody has said that he</p> <p>4 is a representative of the management group.</p> <p>5 A. I work there.</p> <p>6 MR. MULVANEY: Well, we asked for a</p> <p>7 person from Penrod Management who has knowledge</p> <p>8 and information concerning the contracts at issue</p> <p>9 and the invoices at issue and Mr. Penrod was</p> <p>10 produced.</p> <p>11 MR. SAVOLA: Well, he's being listed</p> <p>12 in the Answers to Interrogatories by Penrod</p> <p>13 Management Group as someone that has information,</p> <p>14 just as Mr. Register has information. As it so</p> <p>15 happens, Mr. Penrod here has the most information</p> <p>16 with regard to this deal.</p> <p>17 Q. So you're telling me today that</p> <p>18 you're not an employee of Penrod Management?</p> <p>19 A. No, I am. But you said a</p> <p>20 representative. I was the one in Atlantic City</p> <p>21 talking to Mr. John and setting up the company,</p> <p>22 setting up the local company. These invoices</p> <p>23 going to Penrod Management, I don't handle</p> <p>24 accounting. I don't know where these went or if</p> <p>25 they came in. I've never seen them.</p>	<p>36</p> <p>1 Q. After receiving the invoices did you</p> <p>2 have a conversation with Mr. Register about them,</p> <p>3 do you recall?</p> <p>4 MR. SAVOLA: Objection to form.</p> <p>5 Which invoices are you talking about?</p> <p>6 MR. MULVANEY: Any one of them.</p> <p>7 A. These exhibits with Mr. Register,</p> <p>8 these invoices? I don't recall talking to him</p> <p>9 about that.</p> <p>10 Q. Do you recall having a conversation</p> <p>11 with accounts payable at Penrod Management</p> <p>12 concerning any of the invoices?</p> <p>13 A. No, not that I recall. This would</p> <p>14 have been with Cath, the local girl. They handle</p> <p>15 all the invoices.</p> <p>16 Q. Did you ever instruct anyone at Mr.</p> <p>17 John to send invoices to Cat?</p> <p>18 A. In Atlantic City?</p> <p>19 Q. Presumably she's in Atlantic City?</p> <p>20 A. All the invoices I believe went</p> <p>21 there.</p> <p>22 Q. But the invoices that I'm showing you</p> <p>23 now, exhibits --</p> <p>24 A. Yeah, these say Penrod Management</p> <p>25 Group and they're all sent in chronological order.</p>
<p>35</p> <p>1 Q. I'd ask you to take a look at</p> <p>2 Exhibits 5, 6, 7 and 8. I'm sorry, the</p> <p>3 individual you mentioned before, was it Koren?</p> <p>4 A. Korollan, K-O-R-O-L-L-A-N.</p> <p>5 Q. Does she have a last name?</p> <p>6 A. I don't know it off the top of my</p> <p>7 head. These are all sent in a row. What are</p> <p>8 these, faxes? They're all sent together.</p> <p>9 They're all in order.</p> <p>10 Q. Did you have any conversations with</p> <p>11 anybody at Penrod Management and/or Penrod</p> <p>12 Brothers concerning those invoices?</p> <p>13 A. These invoices? Not to my knowledge.</p> <p>14 I've never seen this before. I know we talked</p> <p>15 about payments before, but I don't know if these</p> <p>16 were the invoices or what we talked about.</p> <p>17 Q. You had conversations regarding</p> <p>18 payments to Mr. John?</p> <p>19 A. From Atlantic City, yeah.</p> <p>20 Q. What do you mean from Atlantic City?</p> <p>21 A. Well, we paid Mr. Johns, I believe we</p> <p>22 paid them once or twice from Atlantic City and</p> <p>23 then I think we then default. But these were all</p> <p>24 sent in order by fax. I'm not sure what these are</p> <p>25 for. And they're each a different month.</p>	<p>37</p> <p>1 Q. Sent to Penrod Management, correct?</p> <p>2 A. Right.</p> <p>3 Q. Did you ever tell anyone after or do</p> <p>4 you know if anyone had a conversation with anyone</p> <p>5 at Mr. John concerning those invoices?</p> <p>6 A. Do I know if anybody did? I don't</p> <p>7 know what conversations they had from Miami.</p> <p>8 Q. Do you know if anybody at Penrod</p> <p>9 Management ever told anyone at Mr. John to not</p> <p>10 send invoices to Penrod Management?</p> <p>11 A. I don't know. Not to my knowledge.</p> <p>12 Q. After receiving those invoices do you</p> <p>13 know if Penrod Management ever informed Mr. John</p> <p>14 that it did not intend to pay those invoices?</p> <p>15 MR. SAVOLA: Object to form. I</p> <p>16 don't think he's ever said that these were</p> <p>17 received.</p> <p>18 A. I've never seen them. And they appear</p> <p>19 to be 5 months in a row fax or sent down there.</p> <p>20 I don't know anything about them. I never seen</p> <p>21 them. I don't know if there's discussion about</p> <p>22 them or what.</p> <p>23 Q. Does the fax transmission at the</p> <p>24 bottom of those pages accurately reflect a</p> <p>25 facsimile number to Penrod Management.</p>

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<p>38</p> <p>1 A. No. They actually show they're all 2 sent September and in order, but it doesn't say a 3 number. It doesn't say a phone number. 4 MR. MULVANEY: All right. Mark those. 5 6 (Penrod-9A Department of Treasury, 7 Division of Revenue, Business Support 8 Services, Commercial Recording, 7/20/06 9 is marked for identification.) 10 (Penrod-9B New Jersey Division 11 of Revenue, Certificate of Cancellation, 12 6/30/06 is marked for identification.) 13 14 Q. I'm going to show you what's been 15 marked 9A and 9B. Take a look at that. Do you 16 recognize those documents? 17 A. I've never seen them before. 18 Q. Did you assist in the preparation of 19 those documents? 20 A. No. 21 Q. Do you recognize that as the 22 signature -- is there a signature? 23 A. It looks like the same one before, 24 Michael Register's. 25 Q. Do you have any reason to suspect</p>	<p>40</p> <p>1 A. Is when they filed. So that would be 2 the date, right? 3 Q. Do you see any other dates on there 4 when it was prepared, when it was sent to the 5 State of New Jersey by anybody from Penrod 6 Management? 7 MR. SAVOLA: Object. Form. 8 A. It'd just be the signature here. 9 Q. And what does that date say? 10 A. 6/30/06. 11 Q. Do you have any idea when this case 12 was commenced? 13 A. No. 14 Q. What's the date of formation up here? 15 A. March 23, 2005. That's the 16 corporation? 17 Q. Well, do you have any knowledge of 18 when Nikki Beach Atlantic City was formed by 19 Penrod Management? 20 A. No. 21 Q. But those do appear to be documents 22 that Penrod Management would have filed to cc 23 operations of Nikki Beach Atlantic City Bar? 24 A. Well, it appears that Michael 25 Register filed to cancel it.</p>
<p>39</p> <p>1 that's not Michael Register's signature? 2 A. No. 3 Q. Am I correct when I say that Mr. 4 Register requested that all the information be 5 shipped to Penrod Management in response to those 6 documents? 7 A. Are you asking me does it say ship it 8 to Penrod Management? Yeah, it says that. 9 Q. And it appears that those documents 10 reflect Penrod Management's closure of the Nikki 11 Beach Atlantic City Bar; is that correct? 12 A. I don't know. I don't know what this 13 is for. 14 Q. Well, if you'll take a minute and 15 take a look at it. 16 I'll ask again, do those documents 17 reflect Penrod Management's closure of Nikki Beach 18 Atlantic City? 19 A. Yes, it looks like Nikki Beach 20 Atlantic City was closed. 21 Q. Does it reflect on those documents 22 the date that the closure was to be effective? 23 A. That would be this? 24 Q. That's the file date. The file date 25 specifies July 11, 2006.</p>	<p>41</p> <p>1 Q. Let's go back to the Nikki Beach 2 entities for a minute. We can go through each 3 one. You said there's one in Miami, correct? 4 A. Yeah. 5 Q. What is the name of that one? 6 A. The legal name? I'm not exactly 7 sure, but I think that's Penrod Brothers I believe 8 is the corporate name there. Penrod Brothers, I 9 believe that's the name of the company there, but 10 I'm not sure. 11 Q. So it's not a Nikki Beach? 12 A. It's d/b/a Nikki Beach. 13 Q. Is it a bar or -- 14 A. It's a bar restaurant. 15 Q. Bar restaurant? 16 A. Lounge, beach club. 17 Q. Do you recall the name of it? 18 A. Nikki Beach. 19 Q. The location in Miami, do you recall 20 the actual name of the bar? 21 A. It's Nikki Beach. 22 Q. Is it Nikki Beach Miami or -- 23 A. Nikki Beach is the name of the beach 24 club. There's a place called Pearl, it's the 25 second floor. Nikki Beach is actually just the</p>

<p style="text-align: right;">42</p> <p>1 actual beach part. The building itself is</p> <p>2 Penrod's because it was Penrod's a long time before</p> <p>3 and then we did a beach club on the back called</p> <p>4 Nikki Beach. That's why I believe it retained the</p> <p>5 name Penrod Brothers. That was before my time.</p> <p>6 Q. And that entity, the Nikki Beach</p> <p>7 location in Miami has its own employees?</p> <p>8 A. Uh-huh. Yes.</p> <p>9 Q. Do you know how many employees it</p> <p>10 has?</p> <p>11 A. I think I've heard it's around 350,</p> <p>12 400 this time of year.</p> <p>13 Q. Is it a seasonal operation?</p> <p>14 A. It's open year round, but the peak</p> <p>15 seasons are now when it's cold here, it's warm</p> <p>16 there. But I think all the employees are under</p> <p>17 Penrod Brothers because in that property the Nikki</p> <p>18 Beach part is actually just the beach. Upstairs</p> <p>19 it's a restaurant called Pearl and downstairs it's</p> <p>20 called -- what it's called, something else.</p> <p>21 Q. So there's a beach bar. Is this at a</p> <p>22 hotel?</p> <p>23 A. No, it's a stand-alone big building.</p> <p>24 Q. And outside at the beach --</p> <p>25 A. It's called Nikki Beach.</p>	<p style="text-align: right;">44</p> <p>1 out.</p> <p>2 Q. Is the general description and my</p> <p>3 description accurate?</p> <p>4 A. Can you repeat the again.</p> <p>5 Q. Sure. Nikki Beach you indicate is a</p> <p>6 brand name, correct?</p> <p>7 A. Nikki Beach is the brand name that</p> <p>8 people know our parties and things around the</p> <p>9 world with.</p> <p>10 Q. Does Nikki Beach have a clothing</p> <p>11 line?</p> <p>12 A. Nikki Clothing. It's not Nikki</p> <p>13 Beach. It's different. The Nikki brand I guess</p> <p>14 is the brand. If you go to go to New York it's</p> <p>15 called Nikki Midtown.</p> <p>16 Q. Let's go through this. The Nikki</p> <p>17 brand and then we have Nikki --</p> <p>18 A. Nikki Beach are the beach clubs.</p> <p>19 Q. So there's a Nikki brand in</p> <p>20 Manhattan.</p> <p>21 A. And Nikki Midtown is the name.</p> <p>22 Q. And there was a Nikki brand in</p> <p>23 Atlantic City.</p> <p>24 A. There was a Nikki Beach.</p> <p>25 Q. And a Nikki brand in Miami.</p>
<p style="text-align: right;">43</p> <p>1 Q. And upstairs Penrod has a restaurant</p> <p>2 called Pearl?</p> <p>3 A. Pearl Restaurant and Lounge and</p> <p>4 there's a cafe restaurant on the side that's open</p> <p>5 during the week called Cafe Nikki. There's a bar</p> <p>6 downstairs indoor, kind of a night club called --</p> <p>7 I think it's called Blue or something like that.</p> <p>8 Q. And Cafe Nikki, is that another one</p> <p>9 of the Nikki Beach entities?</p> <p>10 A. No. It was the first one. It was the</p> <p>11 first thing that was done there. It was a</p> <p>12 memorial for my little sister named Nicole, so we</p> <p>13 did a little cafe for her called Cafe Nikki.</p> <p>14 Q. Is Nikki Beach a tradename?</p> <p>15 A. Nikki Beach is a beach club that we</p> <p>16 then expanded around the world and called Nikki</p> <p>17 Beach as the brand.</p> <p>18 Q. So it's a brand name Nikki Beach?</p> <p>19 A. Uh-huh. Yes.</p> <p>20 Q. And it's really the distinguishing</p> <p>21 feature is whether it's Atlantic City or whether</p> <p>22 it's the marina --</p> <p>23 A. Where it is.</p> <p>24 Q. Or Nikki Cafe --</p> <p>25 MR. SAVOLA: Let him get the question</p>	<p style="text-align: right;">45</p> <p>1 A. There's the Cafe Nikki. It's the</p> <p>2 first thing we ever did. It was a memorial for my</p> <p>3 little sister on the beach. It was called Nikki</p> <p>4 Beach.</p> <p>5 Q. And there are other Nikki Beach</p> <p>6 brands worldwide?</p> <p>7 A. There are Nikki Beach clubs in</p> <p>8 different parts where there's beaches, yes.</p> <p>9 Q. Could you describe for me the Nikki</p> <p>10 brand in midtown?</p> <p>11 A. The Nikki brand in Midtown is a happy</p> <p>12 hour restaurant night club.</p> <p>13 Q. What is it called?</p> <p>14 A. Nikki Midtown, that's the name.</p> <p>15 Midtown is the actual name of the bar.</p> <p>16 Q. Where is it located?</p> <p>17 A. 151 East 50th Street. 10022 is the</p> <p>18 zip code, New York, New York. I set that one up</p> <p>19 so I know the name and address.</p> <p>20 Q. And Nikki Midtown has its own</p> <p>21 employees?</p> <p>22 A. Uh-huh. Yes.</p> <p>23 Q. How many employees?</p> <p>24 A. I don't recall. I haven't been</p> <p>25 there since I opened it, but I think it's --</p>

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<p>46</p> <p>1 Q. Don't guess, but is it over 10?</p> <p>2 A. Yes, it's over 10.</p> <p>3 Q. Over 20?</p> <p>4 A. I'd say it's probably 30, 50, between</p> <p>5 that range.</p> <p>6 Q. And what does Nikki Midtown do?</p> <p>7 A. It's a happy hour bar restaurant and</p> <p>8 night club.</p> <p>9 Q. I think we already discussed Nikki</p> <p>10 Marina. You said there's one in Cabo?</p> <p>11 A. Uh-huh. Yes.</p> <p>12 Q. What is the name of the one in one</p> <p>13 Cabo?</p> <p>14 A. In Cabo San Lucas we have a Nikki</p> <p>15 Beach bar at the Somelia Hotel.</p> <p>16 Q. And what is the name of it?</p> <p>17 A. The hotel?</p> <p>18 Q. The Nikki Beach Bar.</p> <p>19 A. Nikki Beach, that's what it's called.</p> <p>20 Q. Not Nikki Beach Cabo?</p> <p>21 A. It does say Cabo San Lucas underneath</p> <p>22 if that's what you mean. Just like you see Hard</p> <p>23 Rock Cafe, Hard Rock Vegas, Hard Rock whatever.</p> <p>24 Q. And it's located where?</p> <p>25 A. At the Somelia Hotel. It's called</p>	<p>48</p> <p>1 Q. Do you remember the parties to that</p> <p>2 contract? Was it Penrod Management and Resorts?</p> <p>3 A. There would always be the local</p> <p>4 corporation.</p> <p>5 Q. Do you have a copy of that contract</p> <p>6 available?</p> <p>7 A. I don't have one with me, no.</p> <p>8 MR. MULVANEY: Let's take a few</p> <p>9 minutes. I think that really might be all I have</p> <p>10 at this point. I want to take a break.</p> <p>11</p> <p>12 (There is a short recess.)</p> <p>13</p> <p>14 MR. MULVANEY: Back on the record.</p> <p>15 Q. You testified earlier that the name</p> <p>16 Nikki Beach is a brand name, correct?</p> <p>17 A. Yes.</p> <p>18 Q. Do you know who owns the brand name</p> <p>19 Nikki Beach or I should who or what entity owns</p> <p>20 the brand name Nikki Beach?</p> <p>21 A. I'm not sure.</p> <p>22 Q. Would it make sense to you that</p> <p>23 Penrod Management owns the brand name Nikki Beach?</p> <p>24 MR. SAVOLA: Object to the form.</p> <p>25 A. Yeah, I don't know. I don't know if</p>
<p>47</p> <p>1 Me. The hotel is M-E.</p> <p>2 Q. Does Nikki Beach have any</p> <p>3 shareholders?</p> <p>4 A. I don't know. What do you mean, the</p> <p>5 brand itself?</p> <p>6 Q. Yes.</p> <p>7 A. If there are any it'd probably be my</p> <p>8 father. I don't know if there are any.</p> <p>9 Q. Just he would be the only one?</p> <p>10 A. I mean I'm not sure. What happens is</p> <p>11 in each location we have partners and we have a</p> <p>12 local corporation that has the local partnership.</p> <p>13 I'm not sure Nikki Beach itself is separate. I</p> <p>14 don't know how that works.</p> <p>15 Q. And do you do that by agreement with</p> <p>16 the hotel or wherever it is you're establishing a</p> <p>17 Nikki Beach brand?</p> <p>18 A. I think almost every single one is</p> <p>19 different, but I wouldn't know that. That would</p> <p>20 be something to ask Michael Register.</p> <p>21 Q. He didn't want to appear so I have to</p> <p>22 ask you.</p> <p>23 A. Yeah, I don't know.</p> <p>24 Q. Do you have a contract with Resorts?</p> <p>25 A. I believe we did.</p>	<p>49</p> <p>1 it's my dad or what it is. I'm not sure.</p> <p>2 Q. And with respect to the contracts</p> <p>3 that we looked at earlier, and if you need to look</p> <p>4 at them again, let me know, I think I have them</p> <p>5 here, do you have any reason to believe that the</p> <p>6 products referenced on those contracts were not</p> <p>7 delivered by Mr. John?</p> <p>8 A. Do I have any reason to believe that</p> <p>9 those products and those contracts -- let me see</p> <p>10 which one you're talking about to make sure.</p> <p>11 Q. This is the April 25th contract that</p> <p>12 we marked Penrod-2.</p> <p>13 A. From what I recall we received all</p> <p>14 the restrooms. I don't remember how many there</p> <p>15 were. I forget because it was two years ago and I</p> <p>16 didn't really pay attention to the restrooms that</p> <p>17 much.</p> <p>18 Q. So you believe that Mr. John</p> <p>19 delivered the restrooms?</p> <p>20 A. I believe so.</p> <p>21 Q. At least referenced on Penrod-2?</p> <p>22 A. I believe so. I'm not sure exactly</p> <p>23 if 2 Gold Plus was delivered, but there were</p> <p>24 bathrooms delivered. I know they delivered</p> <p>25 bathrooms.</p>

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<p>50</p> <p>1 Q. And the same questions for Penrod-3 2 do you have any reason to believe that the toilets 3 and/or other products on Penrod-3 were not 4 delivered by Mr. John?</p> <p>5 A. These I'm not sure what these are. 6 Four city main temporary bathrooms, are those 7 Jiffy Johns, are they -- what are they? I don't 8 know.</p> <p>9 Q. I can't help you. Unfortunately, I'm 10 the one asking the questions today.</p> <p>11 A. I don't know what these are to be 12 honest with you. These -- I know we had two big 13 bathrooms and two ADA are the disability 14 accessible ones. I know we had those in the 15 summer. These, I don't know what they are.</p> <p>16 Q. As you sit here today, can you tell 17 me that Mr. John did not deliver those?</p> <p>18 A. I don't know.</p> <p>19 Q. Anything on either 2 or 3.</p> <p>20 A. Number 3, I don't know what those 21 bathrooms are.</p> <p>22 Q. Okay.</p> <p>23 A. I don't know if they delivered them 24 or not. I don't know what they are. These on 25 number 2, I believe they're all delivered.</p>	<p>52</p> <p>1 anywhere on Exhibit-2?</p> <p>2 MR. MULAVENY: Objection.</p> <p>3 A. Nowhere.</p> <p>4 Q. Let me have you take a look at 5 Exhibit-3, which is another document entitled 6 Agreement for Temporary Restroom Services dated 7 May 3, 2005 for which the plaintiff is making a 8 claim herein. Do you see anywhere on this 9 agreement where Penrod Management Group is a 10 party?</p> <p>11 MR. MULAVENY: Objection.</p> <p>12 A. I don't see Penrod Management Group 13 listed on there either.</p> <p>14 MR. MULAVENY: Thank you. That's all 15 I have.</p> <p>16 MR. MULVANEY: That's it.</p> <p>17 MR. SAVOLA: We'll read please. 18 (The deposition is concluded 19 at 2:35 p.m.)</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
<p>51</p> <p>1 Q. So as far as you know Mr. John 2 delivered everything under the contract on 3 Penrod-2?</p> <p>4 MR. SAVOLA: Object to form.</p> <p>5 A. On number 2 I believe those were 6 all -- those were delivered.</p> <p>7 MR. MULAVENY: Okay. I think that's 8 about it.</p> <p>9</p> <p>10 CROSS EXAMINATION BY MR. SAVOLA:</p> <p>11 Q. Let me ask you to have a look at 12 Exhibit-2 which was shown to you by opposing 13 counsel. This is entitled The Agreement for 14 Temporary Restroom Services and it's dated April 15 25, 2005. Is there anywhere on this purported 16 agreement for which the plaintiffs are making a 17 claim herein that says that this is Penrod 18 Management Group that entered into this agreement.</p> <p>19 MR. MULAVENY: Objection to form.</p> <p>20 A. The only thing I see on here is Nikki 21 Beach Bar Atlantic City Boardwalk, Atlantic City, 22 New Jersey and my name, Michael Register's name 23 and my cell phone number and the word Nikki Beach.</p> <p>24 Q. Do you see the word Penrod Management 25 Group referred to as a party to this agreement</p>	<p>53</p> <p>1 SIGNATURE PAGE</p> <p>2</p> <p>3</p> <p>4 I have read the foregoing 5 transcript and it is true 6 and correct to the best of 7 my knowledge and belief.</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13 MICHAEL VERNON PENROD</p> <p>14</p> <p>15</p> <p>16</p> <p>17 Sworn and subscribed to 18 before me on this 19 day 20 of 21 22 23 24 Notary Public 25</p>

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<p>1 CERTIFICATE OF OFFICER</p> <p>2 I, SANDRA A. BYBEL, a Notary Public</p> <p>3 and Certified Shorthand Reporter of the State of</p> <p>4 New Jersey, do hereby certify that prior to the</p> <p>5 commencement of the examination of MICHAEL VERNON</p> <p>6 PENROD, the witness was duly sworn by me.</p> <p>7 I DO FURTHER CERTIFY that the</p> <p>8 foregoing is a true and accurate transcript of the</p> <p>9 testimony as taken stenographically by and before</p> <p>10 me at the time, place and on the date hereinbefore</p> <p>11 set forth.</p> <p>12 I DO FURTHER CERTIFY that I am</p> <p>13 neither a relative nor employee, nor attorney or</p> <p>14 counsel to any of the parties involved, that I am</p> <p>15 neither related to nor employed by such attorney</p> <p>16 or counsel and that I am not financially</p> <p>17 interested in the outcome of the action.</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23 A NOTARY PUBLIC OF THE STATE OF NEW JERSEY</p> <p>24 My Commission Expires June 26, 2007</p> <p>25 C.S.R. License No. 30X100058300</p>	<p>54</p>

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**EXHIBITS**





the complete source for  
temporary restrooms

### CREDIT APPLICATION

PLEASE TYPE OR PRINT ALL INFORMATION

The undersigned hereby applies for credit with Mr. John and agrees to abide by its standard terms and conditions as printed below as to any presently outstanding or future account balances.

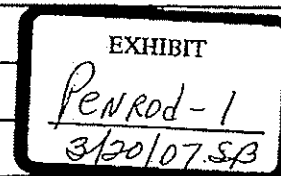
MJP Use Only

Service Scheduled For:

Salesperson:

Value of Service:

DATE 4/21/05	FEDERAL ID: 65-1151495	DATE STARTED:
FIRM'S LEGAL NAME: Penrod Management Group, Inc		DEA:
BILLING ADDRESS: 1 Ocean Drive		
CITY/STATE/ZIP: Miami Beach, FL 33139		
OFFICE ADDRESS (IF DIFFERENT FROM ABOVE):		
CITY/STATE/ZIP:		
PHONE NUMBER: 305-538-1111	FAX NUMBER: 305-534-7253	RATED IN DEBT <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES RATING (IF KNOWN):
AMOUNT OF CREDIT REQUIRED:		PURCHASE ORDER REQUIRED <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES
DESCRIPTION OF BUSINESS: <input type="checkbox"/> 1. SOLE PROPRIETORSHIP <input type="checkbox"/> 2. GENERAL PARTNERSHIP <input checked="" type="checkbox"/> 3. CORPORATION <input type="checkbox"/> NON PROFIT ORGANIZATION (ATTACH TAX EXEMPT CERTIFICATE)		



NOTE: If numbers 1 or 2 are checked above, please fill in the following information:

NAME OF PRINCIPALS	RESIDENTIAL STREET ADDRESS - CITY/STATE/ZIP	SS #	DATE OF BIRTH
1			
2			
3			

#### TRADE REFERENCES

NAME	CONTACT	ADDRESS	PHONE	FAX
1 Sysco Foods	John Hussey	PO Box 64000-A Miami, FL 33164	1-800-877-4766	
2 Henry Lee	Joe Knafo	3301 NW 125th St Miami, FL	305-685-5850	
3 Kitchens of the Ocean	John	P.O. Box 276003 Boca Raton, FL 33423	1-800-321-0132	
4 Southern Wine & Spirits		11600 NW 116th St Miami, FL 33169	305-625-4111	
5 Premier Beverage	Michael Staruk	PO Box 5500 Miramar, FL 33083	305-766-8713	

(X-2050)

#### BANK REFERENCE

NAME	CONTACT	ADDRESS	PHONE
Bank of America	Paula Campos	701 Brickell Ave Miami, FL 33131	305-350-7035
ACCOUNT NUMBER: 0054 8400 7077		TYPE OF ACCOUNT: Checking	

I hereby authorize the release of any and all credit information to Mr. John from the above listed references.

AUTHORIZED SIGNATURE: Danielle M Houser	TITLE: Accountant
PRINT NAME: Danielle Houser	DATE: 4/21/05

Please fax or mail credit application along with the tax exempt certificate, if applicable.  
Terms: NET 10 days



Russell Reid / Mr. John • 200 Smith Street • Keasbey, NJ 08832  
 www.russellreid.com 800.356.4468 www.mrjohn.com 800.628.8955  
 Wastewater Management | Temporary Restrooms | Solid Waste Services

### GENERAL TERMS AND CONDITIONS

1. The Rental/Lessee hereinafter referred to as The Customer acknowledges that it has the care, custody and management of the equipment owned by Mr. John Portable Sanitation Units, Inc. (The Company) and accepts responsibility for the equipment and its contents except when it is being physically handled by employees of The Company. The Customer agrees to indemnify and hold harmless the Company from and against any and all claims for losses or damages to property or life (specifically including but not limited to any claims for damages due to personal injury) resulting from the use or possession of The Company=s equipment.
2. The Company shall not be liable for loss or damage due to delay in delivery or service resulting from any cause beyond The Company=s control including but not limited to compliance with any regulations, orders or instructions of any federal, state, or municipal government nor any department or any agency thereof, acts of God, acts or omissions of The Customer, acts of civil or military authority, fires, strikes, factory shutdowns, or alterations, embargoes, war, riots, delays in transportation, or inability due to causes beyond The Company=s reasonable control to obtain necessary labor, manufacturing facilities, or materials.
3. It is expressly understood and agreed this is an agreement of rental/lease only and The Customer does not acquire title to the equipment.
4. To initiate all orders The Customer must agree to the following payment terms. Confirmation of the Customer=s acceptance of these payment terms will be established by signing below and faxing to The Company at 732-417-0367. No orders will be final until a signed copy of this document is received by The Company. Payment Terms:
5. 50% deposit for all orders placed more than six (6) weeks prior to delivery date. Full payment for all orders placed within six (6) weeks of the delivery date. Full payment for all orders 30 days prior to the delivery date. All orders not paid in full 30 days prior to the delivery date will lose their equipment and service reservation. If The Customer fails to pay in full and cancels the order the 50% deposit will be forfeited as outlined below. All COD payments via check at the time of delivery must be secured by a credit card.
6. The Customer may cancel this order, reduce quantities, revise specifications or extend schedules only by mutual agreements and agrees to pay proper cancellation charges which shall take into account expenses already incurred and commitments made by The Company and shall indemnify The Company against any loss, such loss may or shall not to exceed total contract price.
 

<u>Canceled Before Event</u>	<u>% of Deposit Returned</u>
120 days	75%
90 days	50%
60 days	25%
30 days	none
7. The Customer agrees to properly protect the equipment hereby leased against damage or loss to same or any part thereof from any cause whatsoever and further agrees to return same to The Company in as good condition as received, excluding reasonable wear and tear. All orders including the Premier or Trailer product require a Certificate of Insurance naming Mr. John, Inc. as additional insured in the amount stated on the temporary restroom service agreement. Mr. John will not release delivery of any Premier or Trailer prior to receiving a faxed copy of the Certificate of Insurance to 732-417-0367.
8. In the event that this agreement is not properly executed by or on behalf of The Customer, the acceptance of the leased equipment by customer when delivered by The Company pursuant to order of The Customer, shall be subject to all the terms and conditions of this agreement.





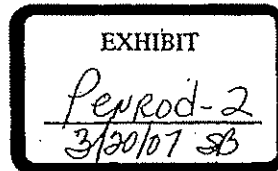
RUSSELL REID / MR. JOHN PO BOX 130 SEASIDE, NJ 08063  
www.russellreid.com Mr. John Reid www.mrjohn.com 609.525.8565

Date: April 25, 2005

### AGREEMENT FOR TEMPORARY RESTROOM SERVICES

Customer: Nikki Beach  
Ordered by: Michael Penrod or Michael Register  
Phone: 954-854-3308

Event: Nikki Beach Bar  
Atlantic City Boardwalk  
Atlantic City, NJ



Equipment will be delivered/installed on: Fri. April 29, 2005

Quantity	Description
2	Gold Plus Trailers
2	ADA POD Units

The equipment will be picked up on: Friday September 2, 2005

#### Rental Charges:

2	Gold Plus Trailers	\$12,000.00/28 day rental
2	ADA POD Unit @ \$2,300.00 each	\$4,600.00/28 day rental

#### Delivery and Installation Charges:

2	Delivery, Setup, and Pickup of Gold Plus Trailers at \$450.00 per unit	\$900.00 one time charge
1	Delivery, Setup, and Pickup of ADA Unit at \$1000.00 per unit	\$2000.00 one time charge

Total Rental Charges from April 29, 2005 through September 2, 2005

Total for 2 Gold Plus Trailers

Breakdown:

28 day cycle billing

April 29 through September 2

\$428.57 per day x 125 days = \$53,571.43

Total for 2 ADA PODS (Handicap Units)

Breakdown:

28 day cycle billing

April 29 through September 2

\$164.29 per day x 125 days = \$20,535.71

Total for trailers and ADA PODS from April 29-September 2, including all delivery charges \$77,007.14

Service Charges:

No service charges, all equipment will be hooked into the city water and sewer systems.

Charges are as follows:

- \$8,850.00 due by April 22, 2005
- **Balance of Due Net 10 Days**
- **Please fill out our credit application so you are put on cycle billing**

Accepted:

By:

\_\_\_\_\_  
Lauren Gommel  
Account Executive

Accepted:

By:

\_\_\_\_\_  
Michael Register  
Nikki Beach



RUSSELL REID / MR. JOHN PO BOX 117 PENRODS NJ 08061  
www.russellreid.com (609) 661-1111 www.penrods.com (609) 661-1111

856-227-5293

Date: May 3, 2005

### AGREEMENT FOR TEMPORARY RESTROOM SERVICES

Customer: Nikki Beach  
Ordered by: Michael Register  
Phone: 954-854-3308

Event: Nikki Beach Bar  
Atlantic City Boardwalk  
Atlantic City, NJ

Email: [timh@nikkimarina.com](mailto:timh@nikkimarina.com)

Email: [mike@penrods.com](mailto:mike@penrods.com)

Equipment will be delivered/installed on: Wednesday May 11, 2005

Quantity	Description
4	City Main Temporary Restrooms

The equipment will be picked up on: Friday September 2, 2005

#### Rental Charges:

4 City Main Temporary Restrooms @ \$950.00 each for a 28 day rental

Total Rental Charges from May 11, 2005 through September 2, 2005

Total for 4 City Main Temporary Restrooms

Breakdown:

28 day cycle billing

April 29 through September 2

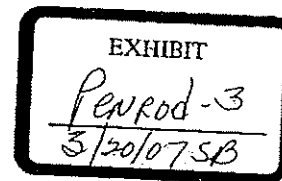
\$950.00 per unit x 4 units = \$3,800.00

\$3,800/28 days = \$135.71 per day for 4 units

\$135.71 per day x 115 days rental = \$15,607.14 from May 11, 2005 through September 2, 2005

#### Delivery and Installation Charges:

1 Delivery, Setup, and Pickup \$1,200.00 one time charge



Charges are as follows:

- \$5,000.00 Due by May 5, 2005
- 28 day billing cycle

Accepted:

By:

Lauren Gommel  
Account Executive

Accepted:

By:

Michael Register  
Nikki Beach



## PLEASE MAIL PAYMENT TO:

Mr. John Inc.  
PO Box 130  
Keasbey, NJ 08832

## REMITTANCE COPY-DETACH AND RETURN WITH PAYMENT

CUSTOMER CODE	INVOICE #	AMOUNT PAID
036599	0000312744	

CHARGE MY: <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> AMEX <input type="checkbox"/> Discover	
Cardholder Name	
Cardholder Address, City State & Zip Code	
Card #	
Amount Paid	Exp. Date
Signature	

Penrod Management Group, Inc  
1 Ocean Drive  
Miami Beach, FL 33139

EXHIBIT

*Penrod-4*  
*3/20/07 SB*

\$25.00 Returned Check Fee | Terms: Net 10 Days | Make Checks Payable to Mr. John Inc.



Mr. John Inc.  
PO Box 130  
Keasbey, NJ 08832  
Phone: (732) 225-2233  
Fax: (732) 417-0367

Customer Number 036599  
Invoice Date 5/27/2005  
Invoice Number 0000312744  
Page Page 1 of 1

Penrod Management Group, Inc  
1 Ocean Drive  
Miami Beach, FL 33139

Date/Period	Qty	N/C Qty	Description	Rate	Amount
Site 036599-001 - Nikki Beach Bar - 1133 Boardwalk, Atlantic City, NJ					
Account Executive: Lauren Gommel					
5/3/2005	WO# 0000071937				
	1.00	0.00	Delivery Charge Restroom Trailers	450.00000	450.00
			7215GP, 7204GP		
5/3/2005	WO# 0000071939				
	2.00	0.00	Delivery Charge Units	1,000.00000	2,000.00
05/12/05 - 06/23/05	4.00	0.00	Standard Temporary Restroom w/City Main Connection	950.00000	5,835.71
5/12/2005	WO# 0000078539				
	1.00	0.00	Delivery Charge Units	1,200.00000	1,200.00
05/27/05 - 06/23/05	2.00	0.00	Ambassador 2 ADA	2,300.00000	4,600.00
05/27/05 - 06/23/05	2.00	0.00	Gold Plus Restroom Trailer	6,000.00000	12,000.00
			7215GP, 7204GP		
Site Total					26,085.71

Total Invoice Amount 26,085.71

The continuing escalation in diesel fuel prices requires that we immediately assess a 4.75% Fuel Surcharge for the rental and service of individual units. Thank you for your continued patronage.



## PLEASE MAIL PAYMENT TO:

Mr. John Inc.  
PO Box 130  
Keasbey, NJ 08832

## REMITTANCE COPY-DETACH AND RETURN WITH PAYMENT

CUSTOMER CODE	INVOICE #	AMOUNT PAID
036599	0000398618	

CHARGE MY: <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> AMEX <input type="checkbox"/> Discover	
Cardholder Name	
Cardholder Address, City State & Zip Code	
Card #	
Amount Paid	Exp. Date
Signature	

Penrod Management Group, Inc  
1 Ocean Drive  
Miami Beach, FL 33139

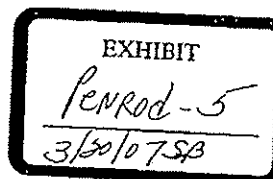
\$25.00 Returned Check Fee | Terms: Net 10 Days | Make Checks Payable to Mr. John Inc.



Mr. John Inc.  
PO Box 130  
Keasbey, NJ 08832  
Phone: (732) 225-2233  
Fax: (732) 417-0367

Customer Number 036599  
Invoice Date 6/24/2005  
Invoice Number 0000398618  
Page 1 of 1

Penrod Management Group, Inc  
1 Ocean Drive  
Miami Beach, FL 33139



Date/Period	Qty	N/C Qty	Description	Rate	Amount
Site 036599-001 - Nikki Beach Bar - 1133 Boardwalk, Atlantic City, NJ					
Account Executive: Lauren Gommel					
6/2/2005			WO# 0000088843		
	1.00	0.00	Service Surchage- Sunday/Double Time	250.00000	250.00
			7215GP, 7204GP		
6/15/2005			WO# 0000094817		
	4.00	0.00	Repair Charge	28.00000	112.00
			7215GP, 7204GP		
	1.00	0.00	Labor Charge - Regular	400.00000	400.00
			7215GP, 7204GP		
			Replacing 4 Peddals		
06/24/05 - 07/21/05	2.00	0.00	Ambassador 2 ADA	2,300.00000	4,600.00
06/24/05 - 07/21/05	2.00	0.00	Gold Plus Restroom Trailer	6,000.00000	12,000.00
			7215GP, 7204GP		
06/24/05 - 07/21/05	4.00	0.00	Standard Temporary Restroom w/City Main	950.00000	3,800.00
			Connection		
			New Jersey Sales Tax		39.00
			Site Total		21,201.00
			Total Invoice Amount		21,201.00



## PLEASE MAIL PAYMENT TO:

Mr. John Inc.  
PO Box 130  
Keasbey, NJ 08832

## REMITTANCE COPY-DETACH AND RETURN WITH PAYMENT

CUSTOMER CODE	INVOICE #	AMOUNT PAID
036599	0000475833	

CHARGE MY: <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> AMEX <input type="checkbox"/> Discover	
Cardholder Name	
Cardholder Address, City State & Zip Code	
Card #	
Amount Paid	Exp. Date
Signature	

Penrod Management Group, Inc  
1 Ocean Drive  
Miami Beach, FL 33139

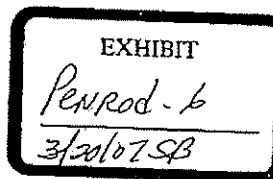
\$25.00 Returned Check Fee | Terms: Net 10 Days | Make Checks Payable to Mr. John Inc.



Mr. John Inc.  
PO Box 130  
Keasbey, NJ 08832  
Phone: (732) 225-2233  
Fax: (732) 417-0387

Customer Number 036599  
Invoice Date 7/22/2005  
Invoice Number 0000475833  
Page 1 of 1

Penrod Management Group, Inc  
1 Ocean Drive  
Miami Beach, FL 33139



Date/Period	Qty	N/C Qty	Description	Rate	Amount
Site 036599-001 - Nikki Beach Bar - 1133 Boardwalk, Atlantic City, NJ					
Account Executive: Lauren Gommel					
7/3/2005			WO# 0000106067		
	1.00	0.00	Repair Charge	400.00000	400.00
			7215GP, 7204GP		
	1.00	0.00	Emergency Service Surcharge-	200.00000	200.00
			Sunday/Double Time		
			7215GP, 7204GP		
07/22/05 - 08/18/05	2.00	0.00	Ambassador 2 ADA	2,300.00000	4,600.00
07/22/05 - 08/18/05	2.00	0.00	Gold Plus Restroom Trailer	6,000.00000	12,000.00
			7215GP, 7204GP		
07/22/05 - 08/18/05	4.00	0.00	Standard Temporary Restroom w/City Main	850.00000	3,400.00
			Connection		
			New Jersey Sales Tax		12.00
			<b>Sito Total</b>		<b>21,012.00</b>
<b>Total Invoice Amount</b>					<b>21,012.00</b>



PLEASE MAIL PAYMENT TO:

Mr. John Inc.  
PO Box 130  
Keasbey, NJ 08832

REMITTANCE COPY-DETACH AND RETURN WITH PAYMENT

CUSTOMER CODE	INVOICE #	AMOUNT PAID
036599	0000561886	

CHARGE MY: <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> AMEX <input type="checkbox"/> Discover	
Cardholder Name	
Cardholder Address, City State & Zip Code	
Card #	
Amount Paid	Exp. Date
Signature	

Penrod Management Group, Inc  
1 Ocean Drive  
Miami Beach, FL 33138

\$25.00 Returned Check Fee | Terms: Net 10 Days | Make Checks Payable to Mr. John Inc.



Mr. John Inc.  
PO Box 130  
Keasbey, NJ 08832  
Phone: (732) 225-2233  
Fax: (732) 417-0387

Customer Number 036599  
Invoice Date 8/19/2005  
Invoice Number 0000561886  
Page Page 1 of 1

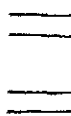
Penrod Management Group, Inc  
1 Ocean Drive  
Miami Beach, FL 33138

EXHIBIT

*Penrod-7*  
*3/20/07-SB*

Date/Period	Qty	N/C Qty	Description	Rate	Amount
Site 036599-001 - Nikki Beach Bar - 1133 Boardwalk, Atlantic City, NJ					
Account Executive: Lauren Gommel					
7/21/2005	WO# 0000110638				
	1.00	0.00	Service Surcharge- Sunday/Double Time	400.00000	400.00
			7215GP, 7204GP		
7/26/2005	WO# 0000114338				
	1.00	0.00	Service Surcharge- Sunday/Double Time	500.00000	500.00
			7215GP, 7204GP		
7/29/2005	WO# 0000116999				
	1.00	0.00	Repair Charge	400.00000	400.00
08/19/05 - 09/15/05	2.00	0.00	Ambassador 2 ADA	2,300.00000	4,600.00
08/19/05 - 09/15/05	2.00	0.00	Gold Plus Restroom Trailer	6,000.00000	12,000.00
			7215GP, 7204GP		
08/19/05 - 09/15/05	4.00	0.00	Standard Temporary Restroom w/City Main	950.00000	3,800.00
			Connection		
			New Jersey Sales Tax		54.00
			Site Total		21,754.00
			Total Invoice Amount		21,754.00





## PLEASE MAIL PAYMENT TO:

Mr. John Inc.  
PO Box 130  
Keasbey, NJ 08832

## REMITTANCE COPY-DETACH AND RETURN WITH PAYMENT

CUSTOMER CODE	INVOICE #	AMOUNT PAID
036599	0000631700	

CHARGE MY: <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> AMEX <input type="checkbox"/> Discover	
Cardholder Name	
Cardholder Address, City State & Zip Code	
Card #	
Amount Paid	Exp. Date
Signature	

Penrod Management Group, Inc  
1 Ocean Drive  
Miami Beach, FL 33139

\$25.00 Returned Check Fee | Terms: Net 10 Days | Make Checks Payable to Mr. John Inc.



Mr. John Inc.  
PO Box 130  
Keasbey, NJ 08832  
Phone: (732) 225-2233  
Fax: (732) 417-0367

Customer Number 036599  
Invoice Date 9/16/2005  
Invoice Number 0000631700  
Page Page 1 of 1

Penrod Management Group, Inc  
1 Ocean Drive  
Miami Beach, FL 33139



Date/Period	Qty	N/C Qty	Description	Rate	Amount
Site 036599-001 - Nikkd Beach Bar - 1133 Boardwalk, Atlantic City, NJ					
Account Executive: Lauren Gommel					
09/16/05 - 10/13/05	2.00	0.00	Ambassador 2 ADA	2,300.00000	4,600.00
09/16/05 - 10/13/05	2.00	0.00	Gold Plus Restroom Trailer	6,000.00000	12,000.00
7215GP, 7204GP					
09/16/05 - 10/13/05	4.00	0.00	Standard Temporary Restroom w/City Main Connection	950.00000	3,800.00
Site Total					20,400.00
Total Invoice Amount					20,400.00

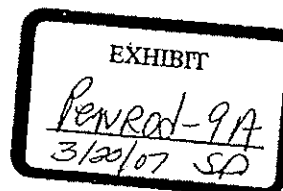
The continuing escalation in diesel fuel prices requires that we immediately adjust our fuel surcharge to 6% for the rental and service of individual units. Thank you for your continued patronage.

DEPARTMENT OF TREASURY  
 Division of Revenue  
 Business Support Services, Commercial Recording  
 P.O. Box 308  
 Trenton, NJ 08646

07/20/2006

## SHIP TO:

PENROD MANAGEMENT GROUP  
 ONE OCEAN DRIVE  
 4TH FLOOR  
 MIAMI, FL 33139



Thank you for your recent work request. The following information summarizes all work requests processed and the associated fees.

If your work was rejected, it is imperative that you include this form or a copy when resubmitting corrected documents or if you are requesting a refund. This will assist us in verifying payment and the original date the work request was submitted. Call us at (609) 292-9292 if you have any questions regarding this notice.

1. Customer Number: 427961
2. Account Number:
3. Session Number: 1707809
4. User ID: 8
5. Comments On Work Request:
6. Number of Rejected Jobs: 0

Method of Payment: Check

Check No: 3453

Amount: \$100.00

Job 1:

Job Completion Status: C CLOSED (JOB OR SESSION)

Session Number: 1707809

Work Description: FORMDT CERTIFICATION OF AMENDMENT AND FORMATION

Job Number: 3214019

Filing Number: 600229364

Received Date: 20-JUL-06

Entity Name: NIKKI BEACH ATLANTIC CITY, LLC

Comments On Job:

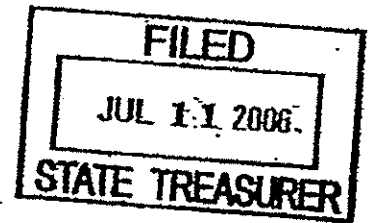
FEE CODE	FEE DESCRIPTION	FEE	QTY	TOTAL
AMENDB	AMENDMENT LLC AND TAP	100.00	1	\$100.00
JOB TOTAL:				\$100.00
COMPLETED JOB TOTAL:				\$100.00

OFFICIAL RECEIPT \*\*\* THIS IS NOT A BILL \*\*\*

\* Please retain a copy for your records to verify check and credit card billing.

L-109 (7/03)

New Jersey Division of Revenue  
**CERTIFICATE of CANCELLATION**  
Limited Liability Company  
(Title NUSA 42)



This form may be used to cancel a Certificate of Formation of a Limited Liability Company on file with the Division of Revenue. Applicants must insure strict compliance with NUSA 42, the New Jersey Limited Liability Act, and insure that all applicable filing requirements are met.

1. Name of Limited Liability Company:

Nikki Beach Atlantic City LLC

2. Business Entity Number:

202-529-399/000

3. Date of formation:

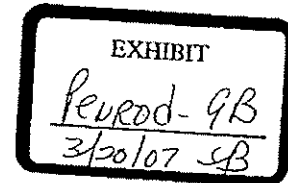
March 23, 2005

4. State of Formation (foreign entities only)

5. Effective date of cancellation:

6. Reasons for canceling the LLC:

Closed for Business



The undersigned represent(s) that this filing complies with State law as detailed in NUSA 42 and that they are authorized to sign this form on behalf of the Limited Liability Company.

Signature:

Date: 6/30/06

Name: John Michael Register

A handwritten signature in cursive script that reads "John Michael Register".